

Senate Constitutional Amendment

No. 1

Introduced by Senator Ashburn

November 24, 2003

Senate Constitutional Amendment No. 1—A resolution to propose to the people of the State of California an amendment to the Constitution of the State, by adding Section 1.3 to Article XVI thereof, relating to public debt.

LEGISLATIVE COUNSEL'S DIGEST

SCA 1, as introduced, Ashburn. Public debt.

Existing provisions of the California Constitution prohibit the creation by the Legislature of debts in excess of \$300,000 except for a single object or work specified in a law creating the debt, which is approved by a $\frac{2}{3}$ vote of the members of each house of the Legislature and approved by the people by a majority of the votes cast at a general or direct primary election.

This measure would, for the purposes of those provisions, define a “single object or work,” for which the Legislature may create a debt or liability in excess of \$300,000 subject to those requirements, to include the funding of an accumulated state budget deficit, as defined, and to the extent, and in the amount, that funding is authorized in a specified measure submitted to the voters at the March 2, 2004, statewide election.

This measure would become operative only if the measure authorizing that debt issuance is submitted to and approved by the voters at the March 2, 2004, statewide election. This measure would also be submitted to the voters at the March 2, 2004, statewide election.

Vote: ²/₃. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

1 *Resolved by the Senate, the Assembly concurring,* That the
2 Legislature of the State of California at its 2003–04 Regular
3 Session commencing on the second day of December 2002,
4 two-thirds of the membership of each house concurring, hereby
5 proposes to the people of the State of California that the
6 Constitution of the State be amended as follows:

7 First—That Section 1.3 is added to Article XVI thereof, to read:

8 Sec. 1.3. (a) For the purposes of Section 1, a “single object
9 or work,” for which the Legislature may create a debt or liability
10 in excess of three hundred thousand dollars (\$300,000) subject to
11 the requirements set forth in Section 1, includes the funding of an
12 accumulated state budget deficit to the extent, and in the amount,
13 that funding is authorized in a measure submitted to the voters at
14 the March 2, 2004, statewide election.

15 (b) As used in this section, “accumulated state budget deficit”
16 means the aggregate of both of the following:

17 (1) The estimated negative balance of the Special Fund for
18 Economic Uncertainties as of June 30, 2004, excluding the effect
19 of the estimated amount of net proceeds of any bonds issued or to
20 be issued pursuant to the Fiscal Recovery Financing Bond Act
21 (Title 17 (commencing with Section 99000) of the Government
22 Code) and any bonds issued or to be issued pursuant to the measure
23 submitted to the voters at the March 2, 2004, statewide election as
24 described in subdivision (a).

25 (2) Other deferred General Fund obligations incurred by the
26 State prior to June 30, 2004, to the extent not included in that
27 negative balance, as certified by the Director of Finance.

28 Second—That Section 1.3 of Article XVI shall become
29 operative only if the measure described in subdivision (a) is
30 submitted to and approved by the voters at the March 2, 2004,
31 statewide election.

32 Third—That this measure shall be submitted to the voters at the
33 March 2, 2004, statewide election.

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